

PARTNERSHIP ASSOCIATIONS (EXCERPT)
Act 191 of 1877

449.301 Partnership associations; formation; capital stock; articles of association, contents, recording, certification.

Sec. 1. When any 3 or more persons may desire to form a partnership association, for the purpose of conducting any lawful business or occupation within the United States or elsewhere, whose principal office or place of business shall be established and maintained within this state, by subscribing and contributing capital thereto, which capital shall alone be liable for the debts of such association, it shall and may be lawful for such persons to sign and acknowledge, before some officer competent to take acknowledgment of deeds, a statement in writing, or articles of association, in which shall be set forth the full names of such persons, and the amount of capital of said association subscribed for by each; the total amount of capital, and when and how to be paid: Provided, however, That the amount of capital stock subscribed shall not be less than 50 per cent of the authorized capital stock and the amount of capital stock paid in at the time of executing the articles of association shall not be less than 10 per cent of the authorized capital. Said articles of association shall also state the character of the business to be conducted, and the location of the same whether or not the capital subscribed shall be subject to the restrictive provisions of section 4 of this act, and unless the articles of association expressly declare that the capital subscribed shall not be subject to the provisions of said section 4 such capital shall be subject to the provisions of said section 4 so far as the same prohibits the members from transferring their interests and the transferee from becoming a member without the consent of the other members; the name of the association, with the word "limited" added thereto as part of the same; the contemplated duration of said association, which shall not in any case exceed 20 years, and the names of the officers of said association selected in conformity with the provisions of this act. Contributions to the capital stock may be in real or personal estate, at a valuation to be approved by all the members subscribing to the capital of such association; but where property has been contributed as part of the capital, a schedule containing the names of the parties so contributing, with a description and valuation of the property so contributed, shall be inserted in such statement or articles; and any amendment of said statement or articles shall be made only in like manner; which said statement and amendment shall be recorded in the office of the secretary of state of this state and in the office of clerk of the county in which such association has its principal office, at the expense of the association; and until said statement or articles are so recorded the same shall not be deemed valid or operative nor authorize the association to commence or conduct business thereunder. The secretary of state and the county clerk, in whose office such articles of association shall be recorded, shall each certify upon every such article of association recorded by him, the time when it was received with a reference to the book and page where the same was recorded, and the record or transcript of the record, certified by the secretary of state, of this state, and under the seal thereof, shall be received in all the courts of this state as prima facie evidence of the due formation, existence and capacity of such association in any suit or proceedings brought by or against the same.

History: 1877, Act 191, Eff. Aug. 21, 1877;—How. 2365;—CL 1897, 6079;—Am. 1903, Act 244, Imd. Eff. June 18, 1903;—CL 1915, 7950;—CL 1929, 9909;—CL 1948, 449.301.

Compiler's note: This act was held not repealed by Act 327 of 1921 in *Attorney General v. Hill-Davis Co.*, 261 Mich. 89, 245 N.W. 579 (1932).